

Regular Session, April 5, 2010, 9:30 a.m.
Catawba County Board of Commissioners

Appointments

Mental Health Partners Board 547 04/05/10

Catawba County Schools

Transfer of funds – from Snow Creek Elementary to Bandys and Bunker Hill 550 04/05/10

Catawba Valley Community College

Budget transfers 549 04/05/10

Closed Session

Attorney-Client Privilege 553 04/05/10

Emergency Services

Approving Financing for Bandys Crossroads Volunteer Fire Department 548 04/05/10

Legislative Agendas

2010 State and Federal Legislative Agendas 551 04/05/10

Newton-Conover Schools

Financing Newton-Conover Middle School 550 04/05/10

Ordinance

Soliciting Prohibited 548 04/05/10

Proclamations

Public Health Month 544 04/05/10

National County Government Month 544 04/05/10

Child Abuse Prevention Month 544 04/05/10

Public Health

Increase in Home Health Budget 550 04/05/10

Public Hearing

Recovery Zone Facility Bonds – Pierre Foods 544 04/05/10

Reinventing

Social Services 552 04/05/10

Resolutions

Reallocation of Recovery Zone Bond Authority to Catawba County 544 04/05/10

Approving Issuance of Qualified Small Issue Industrial Revenue or
Recovery Zone Facility Bonds 544 04/05/10

Approving Financing for Bandys Crossroad Volunteer Fire Department 548 04/05/10

Sheriff's Office

Ordinance – Soliciting Prohibited 548 04/05/10

The Catawba County Board of Commissioners met in regular session on Monday, April 5, 2010 at 9:30 a.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse in Newton, North Carolina.

Present were Chair Katherine W. Barnes and Commissioners Lynn M. Lail, Dan Hunsucker, and Barbara G. Beatty.

Commissioner Glenn E. Barger was absent.

Also present were County Manager J. Thomas Lundy, Assistant Manager Lee Worsley, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m.
2. Commissioner Dan A. Hunsucker led the Pledge of Allegiance to the Flag.
3. Chair Barnes offered the invocation. Thereafter, Chair Barnes noted that Commissioner Barger was out of town and unable to attend the meeting.
4. Commissioner Hunsucker made a motion to approve the minutes from the Regular Meeting of March 15, 2010. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed commissioner candidate Terry Schwedler and all others present.
6. Public Comments for Items not on the Agenda: None.
7. Presentations:
 - a. Commissioner Hunsucker presented Jennifer McCracken, Health Services Manager, with a proclamation declaring April as Public Health Month to recognize 130 years of public health service to the residents of North Carolina and the efforts of public health departments to control and eliminate infectious disease, improve environmental sanitation and promote healthy lifestyle practices, which have resulted in improved health status and increased life expectancy for North Carolina residents.
 - b. Vice-Chair Lail presented Jennifer McCracken, Health Services Manager, with a proclamation recognizing April as National County Government Month. The proclamation commends counties for providing essential public services to 300 million Americans and, in keeping with the 2010 theme of County Government Month, "Healthy Counties", commends county governments for delivering health services through public hospitals and clinics, local health departments, long-term care facilities, and substance abuse treatment and coverage programs for the uninsured, among many program related to good health. Through a series of links at www.catawbacountync.gov and news releases through other media, Catawba County will celebrate the month by highlighting regular events and activities scheduled for April, which are offered by the County every month of the year, and which spotlight the many ways Public Health, Cooperative Extension, Social Services and the County's Parks Division help make Catawba County a healthier county.
 - c. Commissioner Barbara Beatty presented Deborah Johnson, Child Advocacy Center Director and Pam Brooks, Social Worker Supervisor III, with a proclamation declaring April as Child Abuse Prevention Month to recognize that the majority of child abuse cases stem from stressful situations and conditions that are preventable in an engaged, supportive community and to urge citizens, community agencies, faith groups, medical facilities and business to provide this support for families.
8. Public Hearing:

Economic Development Corporation President Scott Millar came forward and requested the Board hold a public hearing and approve a request by Pierre Foods for \$19 million in Recovery Zone Facility Bonds for an expansion project which includes the construction of an approximately 45,000 square-foot expansion and various improvements to Pierre Foods' existing Claremont facility, including the acquisition and installation of machinery and equipment. Much like Industrial Revenue Bond projects, there is no financial obligation to Catawba County or North Carolina through the use of Recovery Zone Facility Bonds. The money comes from private investors and the bonds are sold on national capital markets to insurance companies and bond and mutual funds. Mr. Millar noted that Catawba County had used more industrial revenue bonds than any other county in the State. The project would retain Pierre's current employment of 717 and could create 500 new jobs with a total average wage of \$26,461. Sixteen of the 500 positions would pay more than \$46,000, well above the County's average wage. At 1217 employees, Pierre Foods would be one of the top five

private employers in the county. A \$19 million expansion would generate approximately \$199,000 in annual combined tax revenue for Catawba County and the City of Claremont (prior to depreciation and any incentive agreements).

Chair Barnes opened the public hearing, noting it had been duly advertised and asked anyone who wished to speak regarding this request to come forward. No one came forward to speak and Chair Barnes closed the public hearing. Commissioner Hunsucker made a motion to approve the requested financing and adopt the following resolutions. The motion carried unanimously.

RESOLUTION #2010-07:

**RESOLUTION REQUESTING REALLOCATION OF RECOVERY ZONE BOND
AUTHORITY TO CATAWBA COUNTY**

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Act") amended the Internal Revenue Code of 1986, as amended (the "Code") by authorizing the issuance of recovery zone economic development bonds ("RZED Bonds") to finance "qualified economic development purposes" (as defined in Section 1400U-2 of the Code) and recovery zone facility bonds ("RZF Bonds" and, collectively with the RZED Bonds, "Recovery Zone Bonds") to finance "recovery zone property" (as defined in Section 1400U-3 of the Code), each subject to the limitations set forth in the Code;

WHEREAS, the Board of Commissioners (the "Board") of the County of Catawba, North Carolina (the "County"), by resolution adopted on July 20, 2009, has designated the entirety of the County as a "recovery zone" in accordance with the provisions of Section 1400U-1 of the Code;

WHEREAS, the County, through the issuance of RZF Bonds, desires to assist Pierre Foods, Inc. with the financing of an approximately 45,000 square-foot expansion and various improvements to its existing facility located in Claremont, North Carolina, including, without limitation, the acquisition and installation of machinery and equipment therein (the "Project"), which expansion, improvements, machinery and equipment are expected to cost approximately \$19,000,000;

WHEREAS, the County has no existing allocation of RZF Bond authority;

WHEREAS, under the provisions of Article 51B of Chapter 143 of the General Statutes of the State of North Carolina, as amended by Session Law 2009-140 of the North Carolina General Assembly, the North Carolina Federal Tax Reform Allocation Committee (the "Committee") is given the authority to determine whether the initial allocations of RZF Bonds are being waived and in the event of such waiver to determine reallocations of such waived initial allocations;

WHEREAS, the North Carolina Department of Commerce ("DOC") has promulgated rules (the "Allocation Rule") providing a procedure for a unit of local government to request a reallocation of RZF Bonds as provided in the Allocation Rule; and

WHEREAS, the County, in order to assist Pierre Foods, Inc. with the financing of the Project, desires to request a reallocation of RZF Bond authority in the amount of \$19,000,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the County, as follows:

Section 1. The County Manager and the Finance Officer are each hereby authorized and directed to take any and all action as either the County Manager or Finance Officer deems necessary or advisable to carry out the intent of this resolution and accomplish the goal of obtaining a reallocation of RZF Bond authority in the amount of \$19,000,000, including, without limitation, providing such additional information relating to the project as may be requested in connection with the County's request for reallocation of RZF Bond authority for the project.

Section 2. In connection with the request for reallocation of RZF Bond authority, the Board makes the following findings:

- (a) The Board has heretofore designated the entire County as a recovery zone.
- (b) If such reallocation is granted, the obligations to be issued will be Recovery Zone Facility Bonds.
- (c) The Catawba County Industrial Facilities and Pollution Control Financing Authority will be the issuer of the RZF Bonds.
- (d) The project to be financed includes the expansion, improvement and renovation of an existing facility located in Catawba County, North Carolina, including the acquisition and installation of machinery and equipment therein, to be used for the manufacture of prepared baked food items and packaged prepared frozen food items.
- (e) The maximum amount of RZF Bonds to be issued will be \$19,000,000.

Section 3. This resolution shall take effect immediately upon its adoption.

Resolution No. 2010-08

RESOLUTION APPROVING THE ISSUANCE BY THE CATAWBA COUNTY INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCING AUTHORITY OF NOT EXCEEDING \$19,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS QUALIFIED SMALL ISSUE INDUSTRIAL REVENUE BONDS OR ITS RECOVERY ZONE FACILITY BONDS TO FINANCE AN INDUSTRIAL PROJECT OR A SPECIAL PURPOSE PROJECT IN CATAWBA COUNTY, NORTH CAROLINA FOR PIERRE FOODS, INC. AND APPROVING SUCH PROJECT IN PRINCIPLE.

WHEREAS, the Board of Commissioners for the County of Catawba has created a political subdivision and body corporate and politic of the State of North Carolina known as "The Catawba County Industrial Facilities and Pollution Control Financing Authority" (the "Authority"); and

WHEREAS, the Authority is authorized under the Industrial and Pollution Control Facilities Financing Act, Chapter 159C of the General Statutes of North Carolina, as amended (the "Act"), to issue revenue bonds for the purpose, among others, of paying all or any part of the cost of any industrial or pollution control project, special purpose project, or combination thereof; to acquire, construct, improve and equip any such projects; and to make and execute financing agreements, security documents and other contracts and instruments necessary or convenient in the exercise of such powers; and

WHEREAS, the Authority has determined to issue not exceeding \$19,000,000 aggregate principal amount of its qualified small issue industrial revenue bonds or its recovery zone facility bonds to pay all or a portion of the costs of the Project to be located in Catawba County, North Carolina, to be owned and operated by the Company, the interest on said bonds, or some portion thereof, to be excludable from gross income of the owners thereof for purposes of federal income taxation by virtue of the provisions of Section 103 of the Internal Revenue Code of 1986, as amended, or any successor thereto; and

WHEREAS, the Authority intends to file an application for approval of the Project as an industrial project with the Secretary of the Department of Commerce (the "DOC"), as required by the Act; and

WHEREAS, the DOC has, by regulation, provided that no application for approval of a project will be officially received until the governing body of the County from which the application is made has, by resolution after having held a public hearing, approved the issue of revenue bonds and approved in principle the proposed project and a certified copy of such resolution has been provided to the DOC; and

WHEREAS, the Authority intends to file an application for approval of the Project as a special purpose project with the Local Government Commission (the "LGC"), as required by the Act; and

WHEREAS, the Project will be located wholly within the City of Claremont in Catawba County, North Carolina; and

WHEREAS, the Board of County Commissioners, pursuant to public notice duly given, has held a public hearing on the proposed qualified small issue industrial revenue bond issue or recovery zone facility bond issue and the Project and has considered the comments of persons who requested to be heard; and

WHEREAS, the Board of County Commissioners desires to approve the issuance of the qualified small issue industrial revenue bonds or recovery zone facility bonds and approve the Project in principle;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners for the County of Catawba:

(1) The issuance of qualified small issue industrial revenue bonds or recovery zone facility bonds by the Authority in an aggregate principal amount not exceeding \$19,000,000 to finance the Project is hereby approved.

(2) The Project is hereby approved in principle.

(3) The Clerk of the Board of Commissioners is hereby authorized and directed to provide a certified copy of this resolution to the DOC and the LGC.

(4) The Board of County Commissioners hereby requests that the State of North Carolina, pursuant to Chapter 588 of the 1987 North Carolina General Session Laws, or any other executive order or legislation relating to volume limitations on tax-exempt financing, allocate to the above-described qualified small issue industrial revenue bonds and Project \$10,000,000 of "unified volume limitation" (as described in said Session Laws or in any such other executive order or legislation), and acknowledges that any such allocation shall be only for purposes of said Project and that any portion of such allocation not utilized in connection with such bonds and Project or which terminates or expires as provided in said Session Laws will, without further action, revert to the State of North Carolina, and there is hereby approved the application by the Authority for such an allocation.

(5) This resolution shall take effect immediately upon its passage.

Chair Barnes congratulated Mr. Ted Karre, Vice-President of Packaged Foods Operations, Pierre Foods, Inc. and wished the company well.

9. Appointments.

Chair Barnes recommended the appointment of Donna McNulty for a first term to succeed John Dayberry on the Mental Health Partners Board of Directors. This term will be for three years and will expire June 30, 2013. This recommendation came in the form of a motion and the motion carried unanimously.

10. Departmental Reports.

A. Sheriff's Office:

Sheriff L. David Huffman presented a second reading an ordinance prohibiting solicitation on streets, highways or rights-of-way in unincorporated areas of the county, to protect the safety of motorists and pedestrians. This ordinance was approved by the Board at its March 15, 2010 meeting but all Board members were not present at that meeting, making a second reading of the ordinance necessary before adoption. The Sheriff's Office has received an increasing number of calls from citizens concerned about individuals soliciting at intersections and from the side of the road. North

Carolina General Statute 20-175(d) specifically authorizes local governments to enact ordinances prohibiting a person from soliciting from a roadway. Individuals who solicit from the road put themselves and the public at risk. Solicitation activity is a distraction for drivers, which can result in accidents causing injury to persons and property. This prohibition cannot apply to individuals engaged in the distribution of newspapers on the non-traveled portion of the road, except when those distribution activities impede the normal movement of traffic. This exception is not specified in the proposed ordinance, on the advice of the County Attorney who believes the exception will not stand up to a constitutional challenge. The ordinance will allow law enforcement to more effectively deal with this safety issue. Vice-Chair Lail made a motion to adopt this ordinance. The motion carried unanimously.

ORDINANCE NO. 2010-01

BE IT ORDAINED that the Catawba County Code of Ordinances, Chapter 34, Streets, Sidewalks and Other Public Places, Article I, In General., Section 34-1 is hereby established to read as follows.

Sec. 34-1. Soliciting Prohibited.

(a) Soliciting or attempting to solicit from any street, highway, or right-of-way is prohibited. It shall be unlawful for any person to stand, sit, or loiter, in or on any street or highway, including the shoulders or median strip, or right-of-way on any such street or highway, but excluding sidewalks, while soliciting or attempting to solicit any employment, business, or contributions from the driver or occupants of any vehicle.

(b) Any person found to be in violation of Section 34-1 of this Article shall be guilty of a Class 3 misdemeanor and can be fined or imprisoned in accordance with Sec. 1-14 of the Catawba County Code. Each day any violation of this ordinance shall continue shall constitute a separate offense.

(Ord. No. 2010-01, 3-15-2010)

State law reference – NCGS 20-175.

B. Emergency Services:

Fire and Rescue Manager Mark Petitt and Bandys Fire Chief Jason Drum came forward to request the Board adopt a resolution approving financing in an amount up to \$1,500,000 for the construction of a two fire stations for the Bandys Crossroads Volunteer Fire Department. This is not considered a financial obligation for the County but will allow the Fire Department to receive an interest rate of 5.00% on a 20 year loan, as compared to a 7.00% rate without the resolution, resulting in approximately \$400,000 in savings. Approval is required under Internal Revenue Service codes in order for the Bandys Crossroads Volunteer Fire Department to obtain a more favorable interest rate. The Fire Department plans to demolish its current station at 1611 Buffalo Shoals Road and build a new 13,000 square foot station that will function as its headquarters station. The current station was built in 1962 and does not have the capacity, or functionality, now needed for the department. The second station will be located at 4849 Highway 16 South. The construction of this new station will provide coverage to areas that presently do not fall within the current 5 or 6 mile fire insurance rating areas. 229 properties that are currently unrated or rated 9S are projected to be improved to a 5 rating. The citizens in these areas can anticipate reduced insurance costs. The Fire Department held a required public hearing on March 8 after published notice, in accordance with the Internal Revenue code, and no public opposition to the financing was presented. Commissioner Beatty made a motion to adopt the following resolution. The motion carried unanimously.

Resolution No. _____

**Resolution Approving the Financing by
Bandys Crossroads Volunteer Fire Department
Of up to \$1,500,000 for construction of two new stations**

WHEREAS, the Bandys Crossroads Volunteer Fire Department has determined to finance an amount of up to \$1,500,000 for the construction of two new stations. The United States Internal

Revenue Code requires that for such financing to be carried out on a tax-exempt basis, the Catawba County Board of Commissioners must first approve the financing. Bandys Crossroads Volunteer Fire Department held a public meeting on March 8th, 2010, after published notice in accordance with the Internal Revenue Code. Bandys Crossroads Volunteer Fire Department has reported the proceedings of such hearing to this Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Catawba County, North Carolina, that:

1. As a requirement under the Internal Revenue Code for financing to be carried out on a tax-exempt basis, the Catawba County Board of Commissioners approves the Bandys Crossroads Volunteer Fire Department entering into such financing, up to \$1,500,000, for the construction of two new stations. The Board of Commissioners acknowledges that the Bandys Crossroads Volunteer Fire Department conducted the required public hearing regarding this financing on March 8th, 2010.

C. Catawba Valley Community College:

Budget Manager Jennifer Mace presented a request from CVCC to transfer \$183,299 from the completed Multi-use Driver Training Facility project to an East Campus Renovations project; increased appropriations in the amount of \$525,000 for a Student Center Project, and increased appropriations in the amount of \$95,000 in general capital funds. CVCC originally planned to construct a new Truck Driver Training Facility with classroom space and several paved acres. After review, a decision was made to maintain the classroom at the East Campus, saving \$183,299. CVCC requested that these funds be transferred to the East Campus renovations project, to cover overages projected in this roofing project planned for the East Campus, Paap, and Engineering buildings.

In October 2008, CVCC requested an increase of \$525,000 for a Student Center project, which was projected to exceed budget. This request was approved in the current year County budget, but the total project budget was never increased to reflect the new amount.

CVCC normally receives \$900,000 from the State for equipment. This year the allocation was only \$665,000. The college has over \$1.6 million in equipment needs that it cannot meet with current funding levels. CVCC requested the County provide a one-time increase in capital contribution of \$95,000 to assist with these needs, which include \$44,500 in general equipment purchases and the following energy saving equipment: installation of a two-stage heat gas furnace for \$4500; installation of a two ton Gas Pak with two stage heat capabilities for \$3000; and the purchase of software (\$8000) and testing simulators (\$25,000) for troubleshooting of equipment such as gas, oil and electric furnaces, air conditioners, and heat pumps. Vice-Chair Lail made a motion to approve these appropriations. The motion carried unanimously. The following appropriations apply:

Transfer:

From:

423-750100-862200-34100-3-37	Multi-use Driver Training Facility	\$183,299
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To:

423-750100-862200-34100-2-06	East Campus Renovations	\$183,299
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Supplemental Appropriations:

Revenue:

423-740050-690100	Fund Balance Appropriated	\$525,000
420-740050-690100	Fund Balance Appropriated	\$ 95,000

Expense

423-750100-862200-34100-3-34	Student Center	\$525,000
420-750100-862200-34100-4-13	Energy Saving Projects	\$ 40,500
420-750100-862200-34100-4-12	Equipment Allowance	\$ 44,500

D. Catawba County Schools:

Budget Manager Jennifer Mace requested the Board approve a transfer of \$90,000 from projected remaining funds in the Snow Creek Elementary School Construction project to the Bandys (\$55,000) and Bunker Hill (\$35,000) addition projects, to cover cost overages encountered in the excavation of both sites. The Bandys High School addition project ran into several unforeseen issues during the excavation of the site that resulted in additional costs to complete the project. Leakage at an underground drainage system resulted in unusable soil which had to be removed and, in some locations, deeper and wider footings for building support had to be installed. Main water line and septic lines also had to be rerouted resulting in additional cost. As a result, an additional \$55,000 is needed to complete this project. The Bunker Hill High School addition project ran into similar issues but to a lesser degree, as items were discovered during excavation of the site that resulted in additional cost to complete the project. There was work to an existing septic line resulting in additional cost and additional fire alarm devices, wiring, and conduit that were omitted from the plans were required to be added. As a result, an additional \$35,000 is needed to complete this project. Both projects had contingency funds, but the costs associated with these unforeseen issues exceeded those contingencies. Catawba County Schools Construction Manager, Rick Sain, projects remaining funds of \$155,000 in the Snow Creek Elementary project that could cover the increased costs of the other two projects. Commissioner Beatty made a motion to approve this transfer. The motion carried unanimously. The following appropriations apply:

Transfer:

From:

423-740100-863200-31128-2-01 Snow Creek Elementary School \$90,000

To:

423-740100-863200-31103-2-02 Bandys HS Addition \$55,000

423-740100-863200-31106-2-02 Bunker Hill HS Addition \$35,000

E. Public Health:

Alice Layne, Public Health Nursing Supervisor, presented a request for the Board to increase the overall Home Health budget by \$136,613, to address growing citizen need. These additional costs will be covered by earned revenues. No County funds are included in the Home Health budget. Catawba County Public Health's Home Health Program has experienced an increase in citizens' service demand during the current fiscal year. Home Health's average monthly patient caseload for July 2008 through January 2009 was 437. From July 2009 through January 2010, the average monthly patient caseload increased to 490, more than a 12% increase for the same service period and an average of 57 more patients served each month. The budget increase will allow Home Health to continue to serve approximately 57 more patients per month than are reflected in the current budget. Chair Barnes stressed that Home Health was self-supporting and no County funds were included in the Home Health budget. Commissioner Hunsucker made a motion to approve this budget increase. The motion carried unanimously.

F. Newton-Conover Middle School:

Superintendent Dr. Barry Redmond and Finance Director Rodney Miller came forward to request the Board approve financing, in the amount of \$20.8 million, for the construction and furnishing of a Newton-Conover Middle School. At least \$5.4 million of the \$20.8 million total would come from \$9.7 million allocated to Catawba County from Qualified School Construction Bonds (QSCB) made available from the American Recovery and Reinvestment Act of 2009. These bonds are intended to offer an interest-free option to local governments for the financing of school construction projects.

The Newton-Conover City Schools has targeted as its top priority the construction of a new middle school to replace the existing Newton Conover Middle School, which will be converted into an elementary school. Plans for the new middle school are based on the design of Northview and Grandview Middle Schools, for a multi-story school appropriate for limited acreage. The 30 acre site owned by the Newton-Conover City Schools has more than sixty feet of elevation, requiring a multi-

story building. The project was planned for the current four-year school construction cycle, at a cost of \$21 million.

The County intends to finance this project, and the renovation of Arndt Middle School later this fiscal year, with the use of QSCBs. The Board of Commissioners approved an application for QSCBs last fall. Catawba County received an allocation of \$9.7 million from QSCBs in 2009, with \$5.4 million pledged to be used towards the Newton-Conover Middle School project. An additional 2010 QSCB allocation is expected to be announced by the North Carolina Department of Public Instruction within the next month. The most recent transactions involving QSCBs in other counties across North Carolina have been financed at a 2% rate. But the U.S. Congress has passed legislation that would offer a rebate to local governments for the interest paid on the bonds, effectively giving local governments such as Catawba County a 0% rate.

Once the 2010 QSCB allocations are announced, the County will attempt to issue 2009 and 2010 QSCBs at a 0% rate, and finance the balance of the two projects under traditional financing, with an interest rate of 4.0-4.5% expected. This type of financing consists of pledging the asset acquired or constructed as collateral for the loan in case of default. Since the County does not own the land on which the middle school will be built, the Newton-Conover Board of Education must convey the land to the County in order for the County to borrow the funds for the new school. The County will, in turn, lease the new school and land to the Board of Education for its use, and at the end of the financing term, transfer all rights to the property back to the school system. In the current year budget, the County set aside \$600,000 for this project. All local governments in North Carolina that borrow funds greater than \$500,000, or for longer than five years to maturity, must receive approval by the Local Government Commission (LGC), a division of the NC Department of State Treasurer. It is anticipated that the LGC will consider this project at its May 4th or June 1st meetings in Raleigh.

Commissioner Beatty asked Dr. Redmond if the large auditorium would be made available to other Catawba County schools and citizens as it was a wonderful asset with its size and location in the County. Dr. Redmond stated he was committed to making the facility available to others for use and enjoyment.

Commissioner Hunsucker made a motion to approve the requested financing. The motion carried unanimously.

11. Other Items of Business:

A. Assistant County Manager Lee Worsley presented the proposed 2010 State and Federal Legislative Agendas for Board approval and adoption. Each year, the Board adopts the agendas to highlight those legislative issues that have local importance. The recommended agendas were developed in collaboration with County department heads, the Catawba County School System, Hickory Public Schools, Newton-Conover City Schools, Catawba Valley Community College, Catawba County Chamber of Commerce and all of the county's municipalities.

The State Legislative Agenda, for the Short Session of the North Carolina General Assembly scheduled to begin on May 12, 2010 includes: 1) support an increase to \$35,000 in the Homestead Exclusion income limit to provide property tax relief for senior citizens; 2) support a fairer distribution method in the School Capital Fund Formula and lottery proceeds; 3) oppose the transfer of responsibility for North Carolina's secondary road infrastructure to counties, the elimination or decrease in current road infrastructure funding levels for municipalities, or the transfer of any State maintained roads to municipalities; 4) oppose any State efforts to force additional unfunded mandates or take away local revenues as a result of the State budget crisis; 5) oppose attempts to eliminate the prohibition on collective bargaining for public employees; 6) support greater flexibility in the use of E-911 funds, by encouraging adoption of the State 911 Study Group's recommendations, in full; 7) oppose attempts to reduce the property tax base, which leads to more burden on property taxpayers; 8) support an increase in the \$40 reimbursement rate for state inmates in county jails and reinstatement of an \$18 misdemeanor reimbursement; 9) support an exemption of State sales tax on purchases made by local school systems; 10) support the restoration of financial incentives by the State for counties opting to be "Electing Counties" for Social Services programming; 11) support

an increase in the reimbursement rate for local government legal work related to in rem foreclosures; 12) support an increase in State funding for Child Advocacy Centers; 13) support a rate increase for Medicaid and State mental health services; 14) support flexible local revenue options to reduce the burden on the property taxpayer; 15) support legislation facilitating target industry sectors and encouraging the County's competitiveness as a whole; 16) support maintaining local control of the North Carolina ABC System and preservation of local revenues received from the system, and 17) work with the North Carolina Association of County Commissioners regarding local preferences in purchasing.

The Federal Legislative Agenda for the upcoming session of the United State Congress includes: 1) oppose efforts to require collective bargaining for public or private employees; 2) support Federal assistance in the funding of a regional wastewater re-use system which will benefit the Catawba County EcoComplex; 3) support Federal assistance in funding of wood waste and bio-solids gasification and green energy facility; 4) oppose new EPA Ozone Standards; 5) support implementation of a streamlined sales tax; 6) support the permanent restoration of an ambulance fee schedule as stated in the Medicare Improvements for Patients and Providers Act of 2008; 7) support increased local funding, incentives and community-based surveillance and communication systems regarding disease spread related to a pandemic flu threat; 8) support and encourage quicker deployment of Next Generation 911 initiative; 9) support improvements to the Temporary Assistance for Needy Families Program (TANF) and other safety net programs so all families have necessary work supports and TANF focuses on the positive outcomes for families and reducing poverty; 10) support increases to funding for Older Americans Act services to help older Americans remain independent in their homes and communities; 11) support implementation of the Elder Justice Act (Senate Bill 795); 12) support increases to Social Services Block Grant funding; 13) oppose continued cuts to the child support program; 14) support delinking Aid to Families with Dependent Children from the IV-E Program; 15) support the reauthorization of the Child Abuse Prevention and Treatment Act; and 16) support extension of the Federal Medicaid assistance participation rate subsidy/increase.

Prior to making a motion to adopt these agendas, Vice-Chair Lail stated that the listing of these items illustrated how little power the Board has at the local level. Chair Barnes agreed with this and thanked Mr. Worsley for his constant efforts to keep the Board up-to-date on all these legislative issues. Vice-Chair Lail's motion carried unanimously.

B. Section II F of the 2008-2009 Budget Ordinance states: "Reinventing Departments may create or abolish positions which impact the outcomes approved by the Board of Commissioners and within available revenues upon summary approval of the Board of Commissioners. Approval will come at the next regularly scheduled Board of Commissioners' meeting and will be attached and approved as part of the minutes."

Under this provision of the Budget Ordinance, the following personnel changes have been made to Social Services' budget:

Five (5) Income Maintenance Caseworkers – Supplemental Nutrition Assistance Program - SNAP (formerly Food Stamps/Assistance)

In December 2009, Congress passed the 2010 Defense Appropriations Bill. In this Bill, States received funding to support the ongoing administrative burden of SNAP, as well as assist in the transition to new eligibility criteria. As part of the State's allocation, Catawba County has received \$181,459.

Beginning July 1, 2010 the income limit for SNAP will be increased from 130% to 200% of poverty (\$3,676 / month for a family of four). Additionally, the resource limit for these families is being eliminated. The State is estimating a 40% increase in eligibility which could mean up to an additional 5,000 households entering our rolls and thousands of others inquiring. Because of this, we need to utilize these funds to hire five (5) full time staff. These positions will be time limited as the funding is

set to expire October 2011. At that time we will reevaluate the funding situation, as well as our caseloads, and determine the need for continued employment.

12. Attorneys' Report: None.
13. Manager's Report: County Manager J. Thomas Lundy requested the Board move into Closed Session pursuant to North Carolina General Statute 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body and he anticipated no action upon return to open session. Vice-Chair Lail made a motion to go into closed session. The motion carried unanimously and the Board moved into closed session at 10:40 a.m.
14. Adjournment: The Board returned to open session at 12:00 p.m. and took no action. Commissioner Beatty made a motion to adjourn at 12:02 p.m. and the motion carried unanimously.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk